



مدیریت ریسک جنگ در بیمه و بیمه اتکایی

چالش‌های قراردادی، ظرفیت بازار و ملاحظات فنی

مدرس:
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بِسْمِ اللَّهِ الرَّحْمَنِ الرَّحِيمِ



War Risk

- In insurance contracts, “War” does not merely mean armed conflict between two nations.
- It encompasses organized hostile actions, military invasions, civil wars, rebellions, insurrections, and paramilitary operations backed by sovereign states or national-level armed groups.
- War can cause “catastrophic,” “concurrent,” and “systemic” losses to massive amounts of property over a vast area.
- No insurance company has the financial capacity to pay for such immense, widespread destruction at once.
- Therefore, under standard “War Exclusion Clauses,” damages caused by war, revolution, confiscation, and military operations are excluded unless the insured purchases specific coverage by paying an additional premium.





SRCC (Strikes, Riots, and Civil Commotions)

- This refers to “localized” social unrest typically initiated by civilians, social groups, workers, or protesters. It includes acts of vandalism, looting, protests, and labor strikes.
- Unlike war, SRCC losses are usually more geographically contained.
- Consequently, insurers are more willing to cover them, often offering SRCC as an endorsement to property policies or within political violence coverage.
- However, reinsurers have recently been monitoring SRCC more strictly due to the rising global frequency and severity of civil unrest.



Key and Substantive Differences

- War is initiated by militaries and sovereign states driven by geopolitical, military, or regime-change motives.
- SRCC is triggered by civilians, workers, or trade unions due to social, economic, or labor grievances.
- In a war, a country's entire infrastructure (e.g., ports, power plants, airports) is at risk of catastrophic destruction.
- In SRCC, damages are typically concentrated at the street level (e.g., smashed shop windows, burned dumpsters).
- War risk is heavily controlled with very limited capacity in reinsurance treaties. SRCC is generally more easily ceded (transferred) in property reinsurance contracts.



The Fine Line: Escalation and Contract Wording (Crucial Point)

- A critical factor in insurance is the potential for an event to “change its nature.”
- If civil unrest (SRCC) escalates out of control and turns into an armed uprising or civil war (Insurrection/Rebellion) aimed at overthrowing the government, insurers may argue that the event’s nature has shifted from SRCC to War.
- In this scenario, claims might be denied under the War Exclusion Clause.
- This is why precise contract wording is absolutely vital to determine liability and coverage.



پیامدهای بیمه‌ای جنگ ایران و آمریکا

- The rapidly escalating conflict is already generating significant insured and uninsured losses across multiple sectors, with further disruption to global trade, transport and energy markets expected if hostilities persist or widen.
- As physical damage accumulates and economic disruption deepens, insureds, insurers and reinsurers alike are turning to policy wordings.



پوشش جنگ در قراردادهای اتکایی در دوره جنگ



پوشش جنگ در قراردادهای اتکایی در دوره جنگ

مدیریت ریسک، پوشش و محدودیت‌ها در قراردادهای اتکایی

نمونه خسارات تحت پوشش جنگ



تخریب فیزیکی ناشی از حملات نظامی



آتش‌سوزی ناشی از حملات یا عملیات نظامی



توقیف یا مصادره توسط دولت‌ها



توقف پروژه به دلیل شرایط جنگی و دسترسی محدود



هزینه‌های اضافه ناشی از شرایط جنگی



پوشش جنگ چیست؟

پوشش جنگ خسارات ناشی از جنگ، عملیات نظامی، شورش مسلحانه، حملات تروریستی، مصادره، توقیف و اقدامات خصمانه دولت‌ها را تحت شرایط خاص پوشش می‌دهد.



عملیات نظامی



حملات



تروریسم



شورش مسلحانه



توقیف



اقدامات دولت

استثنائات معمول در قراردادهای اتکایی

- × جنگ (اعلان شده یا اعلان نشده)
- × تهاجم، عملیات نظامی، اشغال
- × شورش، بلوار، قیام، کودتا
- × اقدامات تروریستی
- × مصادره، توقیف، ملی‌سازی
- × اقدامات خصمانه دولت‌ها
- × جنگ داخلی درگیری‌های مسلحانه



در صورت عدم خرید پوشش جنگ، این خسارات توسط بیمه‌گر و بیمه‌گر اتکایی پرداخت نمی‌شود.

ساختار پوشش جنگ در قرارداد اتکایی

بیمه‌گذار



پروژه / دارایی
EAR پروژه

بیمه مستقیم

بیمه‌گر



پوشش اصلی +
پوشش جنگ در صورت خرید

واگذاری اتکایی

بیمه‌گر اتکایی



مسئولیت مازاد طبق
قرارداد اتکایی

بدون پوشش جنگ



خسارات جنگ پوشش داده نمی‌شوند

با پوشش جنگ



خسارات جنگ طبق شرایط قرارداد اتکایی قابل بازیافت است

شرایط کلیدی پوشش جنگ



الحاقیه / شرط جنگ

پوشش جنگ باید به‌صورت الحاقیه خاص در قرارداد درج شود.



حق بیمه اضافی

پوشش جنگ معمولاً با نرخ اضافی محاسبه و دریافت می‌شود.



محدوده جغرافیایی

پوشش جنگ ممکن است برای مناطق خاص با طبق فهرست‌های پرخطر باشد.



فسخ سریع

بیمه‌گر اتکایی می‌تواند با اعلام قبلی پوشش جنگ را فسخ کند.



محدودیت ظرفیت

ظرفیت اتکایی برای ریسک‌های جنگی معمولاً محدود است.

رویکرد پوشش در سطوح مختلف شدت جنگ

سطح شدت جنگ	ویژگی‌ها	رویکرد بیمه اتکایی	مثال
پایین	تنش‌های محدود، تهدید کم، درگیری محدود	امکان ارائه پوشش با نرخ افزوده و ظرفیت معمولی	تنش‌های مرزی، تهدید محدود علیه زیرساخت‌ها
متوسط	درگیری منطقه‌ای، حملات پراکنده، ناامنی نسبی	پوشش با محدودیت جغرافیایی و ظرفیت کمتر	حملات دوره‌ای به تأسیسات صنعتی یا خطوط حمل‌ونقل
بالا	جنگ گسترده، حملات نظامی وسیع، ریسک جمعی بالا	پوشش بسیار محدود یا عدم ارائه پوشش	جنگ گسترده، حملات موشکی و هوایی وسیع

نکات مهم



- اخذ موافقت کتبی بیمه‌گر اتکایی قبل از ورود ریسک به مناطق پرخطر الزامی است.
- عدم اعلام صحیح موقعیت و شرایط جنگی می‌تواند موجب رد خسارات یا فسخ قرارداد شود.
- مدیریت ریسک، پایش وضعیت مناطق و بازبینی دوره‌ای برنامه اتکایی ضروری است.

پوشش جنگ یک تصمیم استراتژیک در مدیریت ریسک است.

تحلیل دقیق ریسک، مذاکره مناسب و طراحی صحیح برنامه اتکایی، از زیان‌های بزرگ جلوگیری می‌کند.



استثنای پوشش جنگ در بیمه نامه ها و قراردادهای اتکایی



چرا جنگ در بیمه نامه ها و قراردادهای اتکایی مستثنا می شود؟

دلایل فنی، اقتصادی و حقوقی استثنای جنگ در بیمه و بیمه اتکایی



ماهیت جنگ

چرا با اصول بیمه در تضاد است؟

- جنگ یک ریسک سیستماتیک و تجمعی است که می تواند به طور همزمان تعداد زیادی از دارایی ها، افراد و پروژه ها را در **چندین رشته بیمه ای** تحت تأثیر قرار دهد.
- اصل پراکندگی ریسک از بین می رود و خسارات به صورت متمرکز و بسیار بزرگ ایجاد می شوند.
- ریسکی نادر، سیاسی، غیرقابل پیش بینی و وابسته به تصمیم دولت ها.

نمونه شرط استثنای جنگ

این بیمه نامه خسارات، هزینه، مسئولیت، از دست دادن یا زیان ناشی از جنگ، تهاجم، عملیات نظامی خارجی، اعمال خصمانه دشمن خارجی، جنگ داخلی، شورش، انقلاب، شورش مساحانه، کودتا یا هر رویداد مشابه را پوشش نمی دهد.

WAR EXCLUSION

جنگ می تواند همزمان چندین رشته بیمه ای را تحت تأثیر قرار دهد

بیمه های دریایی	بیمه های مهندسی و نفت و انرژی	بیمه های هواپیما	بیمه های اموال و حریق	بیمه های مسئولیت و پیمانکاری	بیمه های اعتبار و ضمانت	بیمه های اشخاص و باربری
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تجمع خسارت در چندین رشته بیمه ای

در زمان جنگ، خسارت ممکن است به طور همزمان از **چندین رشته بیمه ای مختلف** وارد شود.

- رویدادهای بزرگ و تهدید توانگری مالی ایجاد می کنند.
- به همین دلیل، پوشش جنگ معمولاً مستثنا است مگر با توافق خاص و شرایط محدود.

عدم قابلیت قیمت گذاری دقیق

برای قیمت گذاری، نیاز به داده های تاریخی و الگوهای آماری است، اما جنگ رویدادی نادر، غیرقابل پیش بینی و فاقد الگوی مشخص است، بنابراین احتمال وقوع و شدت خسارت آن دشوار است.

تأثیرات اقتصادی گسترده

جنگ باعث تورم، نوسان ارز، اختلال در زنجیره تامین، توقف کسب و کار، افزایش همزمان تعداد خسارتها و آسیب های اقتصادی گسترده می شود.

ریسک فاجعه آمیز

جنگ در دسته **ریسک های فاجعه آمیز** قرار دارد که می تواند خسارات بسیار بزرگ، همزمان و تجمعی ایجاد کند و توان مالی بیمه گر را به طور جدی تهدید نماید.

مدیریت ریسک اتکایی

در مناطق پرخطر، فهرست های ریسک مانند **فهرست JWC (کمیته مشترک جنگ)** استفاده می شود و ریسک جغرافیایی به طور مستمر ارزیابی و کنترل می گردد.

نقش دولت ها و بازارهای ویژه

بسیاری از دولت ها در زمان جنگ وارد نقش حمایتی می شوند و صندوق ها یا سازوکارهای ویژه ایجاد می کنند. پوشش جنگ اغلب به صورت جداگانه قیمت گذاری می شود و با محدودیت ظرفیت ارائه می گردد.

نتیجه گیری

به دلیل ماهیت تجمعی، غیرقابل پیش بینی، سیاسی و فاجعه آمیز جنگ، بیمه نامه ها و قراردادهای اتکایی معمولاً آن را مستثنا می کنند تا از زیان های نامحدود جلوگیری شود و توانگری مالی صنعت بیمه حفظ گردد.

ارزیابی ریسک جنگ → توافقی و پذیرش بیمه گر اتکایی → پرداخت حق بیمه اضافی → شرایط فسخ سریع → پوشش جنگ با محدودیت ظرفیت



توصیف Aon از جنگ ایران و آمریکا

- **Aon** is framing the 2026 Middle East conflict as a “multi-line geopolitical shock” driving immediate pressure on marine, aviation, energy, and political violence classes.
- large reinsurers issuing 7-day war cancellation notices across marine hull and aviation war pools, especially for assets exposed to the Strait of Hormuz.
- the surge in demand for war, SRCC, cyber, and trade credit cover while warning clients of tightening terms, shrinking capacity, and substantial rate jumps for vessels and airlines transiting high-risk corridors.





توصیف Marsh McLennan از جنگ ایران و آمریکا

- **Marsh** is reporting sharp dislocation across war-risk markets driven by reinsurer retrenchment.
- multiple global reinsurers withdrawing war capacity for exposures in the Gulf region and raising subjectivities and exclusions in treaty renewals.
- marine and energy lines face the steepest increases—war-risk premiums in some routes multiplying by double-digit factors.
- encourages clients to adopt contingent business interruption assessments, expand cyber limits, and explore alternative structures such as parametric cover and captive utilization.



توصیف (Willis Towers Watson) WTW از جنگ ایران و آمریکا

- **WTW** notes a “rapid hardening phase” in political violence, terrorism, and war-risk markets as reinsurers evaluate accumulation risk across oil terminals, ports, airlines, and critical infrastructure.
- Aviation war-risk reinsurers are activating 7-day cancellation rights across multiple jurisdictions, forcing airlines to secure temporary emergency placements.
- higher deductibles, reduced sublimits, and narrower definitions of hostile acts.
- advising clients to reassess geopolitical risk registers, update crisis protocols, and revalidate evacuation plans.





توصیف Gallagher از جنگ ایران و آمریکا

- **Gallagher** is seeing marked disruption for clients with exposure to the Eastern Mediterranean, Red Sea, and Gulf waterways.
- reinsurers applying stringent territorial restrictions, particularly for tankers, gas carriers, and offshore support vessels. Gallagher describes a marketplace where cancellation notices, especially in marine hull, are becoming routine, and where underwriters request real-time tracking and voyage declarations before binding cover.
- Gallagher is guiding clients on layered war programs and negotiating broader support from specialty syndicates.





توصیف Lockton از جنگ ایران و آمریکا

- **Lockton** indicates that underwriters across London and European markets are reviewing every risk with heightened scrutiny.
- The conflict has accelerated claims reserving, war aggregation analyses, and the imposition of shortened notice periods and conditional endorsements.
- Lockton warns that even previously stable lines like property and construction are now seeing questions around proximity to geopolitical exposures, possible suspension of extensions, and compulsory political violence carve-outs in renewal terms.



Joint War Committee

The JWC brings together senior underwriters from across the market to discuss and debate on key issues affecting the marine insurance market. It works with a range of people, including government personnel, security firms and shipping companies.

Gulf conflict Soon after the conflict began, the JWC extended the Listed Areas by adding those countries in the Gulf region that had US bases as they are now considered as targets by Iran. Despite some regrettably incorrect reporting about cancellation, hull war insurance cover remains in place and available in the London market, through both Lloyd's syndicates and IUA companies.





JWC Listed Areas

Amended: Persian/Arabian Gulf, Gulf of Oman, Indian Ocean, Gulf of Aden and Southern Red Sea

The waters enclosed by the following boundaries:

- a) On the northwest, by the Red Sea, south of Latitude 18°N ;
- b) On the northeast, from Pakistan coastline at $25^{\circ}19'15''\text{N}$, 65°E ;
- c) On the east, by a line to high seas point $10^{\circ}48'\text{N}$, 65°E , thence to high seas point $10^{\circ}48'\text{N}$, $60^{\circ}15'\text{E}$, thence to high seas point $6^{\circ}45'\text{S}$, $48^{\circ}45'\text{E}$;
- d) on the southwest, by the Somalia border at $1^{\circ}40'\text{S}$, $41^{\circ}34'\text{E}$, to high seas point at $6^{\circ}45'\text{S}$, $48^{\circ}45'\text{E}$;

The application of this list on individual contracts will be a matter for specific negotiation.



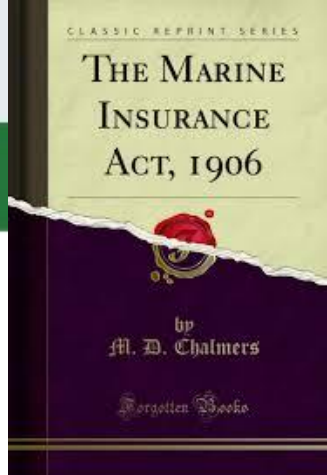


JWC Listed Areas

JWC Listed Areas	
Hull War, Piracy, Terrorism and Related Perils	
Africa	
Benin	
Cabo Delgado, waters as defined overleaf	
Djibouti	
Eritrea, but only South of 18° N	
Gulf of Guinea, waters as defined overleaf	
Libya	
Nigeria	
Somalia	
Sudan	
Togo	
Europe	
Sea of Azov and Black Sea waters plus inland waters as defined overleaf	
Persian/Arabian Gulf, Gulf of Oman, Indian Ocean, Gulf of Aden and Southern Red Sea	
Water as defined overleaf	
Asia	
Pakistan	
Middle East	
Bahrain	
Iran	
Iraq, including all Iraqi offshore oil terminals	
Israel	
Kuwait	
Lebanon	
Oman	
Qatar	
Saudi Arabia (Gulf coast)	
Saudi Arabia (Red Sea coast) excluding transits	
Syria	
United Arab Emirates	
Yemen	
Russia	
South America	
Guyana, but only calls to offshore installations in the Guyanese EEZ beyond territorial waters	
Venezuela, including all offshore installations in the Venezuelan EEZ	



Marine Insurance Act 1906



Section 55(2)©: Exclusions

This section defines **what losses are NOT covered unless specifically agreed.**

Unless the policy otherwise provides, **the insurer is not liable for loss caused by:**

- (i) ordinary wear and tear,**
- (ii) ordinary leakage or breakage,**
- (iii) inherent vice or nature of the subject-matter insured,**
- (iv) delay,**
- or (v) any act of war.**





INSTITUTE WAR AND STRIKES CLAUSES Hulls-Time

INSTITUTE WAR AND STRIKES CLAUSES Hulls-Time

This insurance is subject to English law and practice

1 PERILS

Subject always to the exclusions hereinafter referred to, this insurance covers loss of or damage to the Vessel caused by

- 1.1 war civil war revolution rebellion insurrection, or civil strife arising therefrom, or any hostile act by or against a belligerent power
- 1.2 capture seizure arrest restraint or detainment, and the consequences thereof or any attempt thereat
- 1.3 derelict mines torpedoes bombs or other derelict weapons of war
- 1.4 strikers, locked-out workmen, or persons taking part in labour disturbances, riots or civil commotions
- 1.5 any terrorist or any person acting maliciously or from a political motive
- 1.6 confiscation or expropriation.

2 INCORPORATION

The Institute Time Clauses-Hulls 1/10/83 (including 4/4ths Collision Clause) except Clauses 1.2, 2, 3, 4, 6, 12, 21.1.8, 22, 23, 24, 25 and 26 are deemed to be incorporated in this insurance in so far as they do not conflict with the provisions of these clauses.

Held covered in case of breach of warranty as to towage or salvage services provided notice be given to the Underwriters immediately after receipt of advices and any additional premium required by them be agreed.

3 DETAINMENT

In the event that the Vessel shall have been the subject of capture seizure arrest restraint detainment confiscation or expropriation, and the Assured shall thereby have lost the free use and disposal of the Vessel for a continuous period of 12 months then for the purpose of ascertaining whether the Vessel is a constructive total loss the Assured shall be deemed to have been deprived of the possession of the Vessel without any likelihood of recovery.

4 EXCLUSIONS

This insurance excludes

- 4.1 loss damage liability or expense arising from



INSTITUTE WAR AND STRIKES CLAUSES Hulls-Time

- € 1,1 any detonation of any weapon of war employing atomic or nuclear fission and/or fusion or other like reaction or radioactive force or matter, hereinafter called a nuclear weapon of war
 - € 1,2 the outbreak of war (whether there be a declaration of war or not) between any of the following countries:
 - United Kingdom, United States of America, France,
 - the Union of Soviet Socialist Republics,
 - the People's Republic of China
 - € 1,3 requisition or pre-emption
 - € 1,4 capture seizure arrest restraint detainment confiscation or expropriation by or under the order of the government or any public or local authority of the country in which the Vessel is owned or registered
 - € 1,5 arrest restraint detainment confiscation or expropriation under quarantine regulations or by reason of infringement of any customs or trading regulations
 - € 1,6 the operation of ordinary judicial process, failure to provide security or to pay any fine or penalty or any financial cause
 - € 1,7 piracy (but this exclusion shall not affect cover under Clause 1.4),
 - € 2 loss damage liability or expense covered by the Institute Time Clauses-Hulls 1/10/83 (including 4/4ths Collision Clause) or which would be recoverable thereunder but for Clause 12 thereof,
 - € 3 any claim for any sum recoverable under any other insurance on the Vessel or which would be recoverable under such insurance but for the existence of this insurance,
 - € 4 any claim for expenses arising from delay except such expenses as would be recoverable in principle in English law and practice under the York-Antwerp Rules 1974.
- **TERMINATION**
 - o 1 This insurance may be cancelled by either the Underwriters or the Assured giving 7 days notice (such cancellation becoming effective on the expiry of 7 days from midnight of the day on which notice of cancellation is issued by or to the Underwriters). The Underwriters agree however to reinstate this insurance subject to agreement between the Underwriters and the Assured prior to the expiry of such notice of cancellation as to new rate of premium and/or conditions and/or warranties.



INSTITUTE WAR AND STRIKES CLAUSES Hulls-Time

- , ٢ Whether or not such notice of cancellation has been given this insurance shall TERMINATE AUTOMATICALLY
 - , ٢, ١ upon the occurrence of any hostile detonation of any nuclear weapon of war as defined in Clause 4.1.1 wheresoever or whensoever such detonation may occur and whether or not the Vessel may be involved
 - , ٢, ٢ upon the outbreak of war (whether there be a declaration of war or not) between any of the following countries:
 - United Kingdom, United States of America, France,
 - the Union of Soviet Socialist Republics,
 - the People's Republic of China
 - , ٢, ٣ in the event of the Vessel being requisitioned, either for title or use.
- , ٣ In the event either of cancellation by notice or of automatic termination of this insurance by reason of the operation of this Clause 5, or of the sale of the Vessel, pro rata net return of premium shall be payable to the Assured.

This insurance shall not become effective if, subsequent to its acceptance by the Underwriters and prior to the intended time of its attachment, there has occurred any event which would have automatically terminated this insurance under the provisions of Clause 5 above.

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Institute War Clauses (Cargo)

- London Market (Lloyd's / IUA) - Version: 1 January 2009
- The Institute War Clauses (Cargo) (IWC) provide standardized international insurance coverage for cargo exposed to war-related risks during marine transit. These clauses are widely used across the global insurance market and serve as the primary framework for assessing and underwriting War Risk in cargo insurance.

1. Purpose and Scope

- The IWC extend coverage to losses or damage to insured cargo that are directly caused by war and warlike operations. The clauses are issued as an add-on to the standard Institute Cargo Clauses (ICC) and specifically address exposures that ICC does not normally cover.

2. Risks Covered

- War, civil war, revolution, rebellion, insurrection
- Hostile acts by or against a belligerent power
- Capture, seizure, arrest, restraint, or detainment
- Consequences of attempted capture or seizure
- Derelict mines, torpedoes, bombs, or other abandoned weapons of war



Institute War Clauses (Cargo)

3. Key Exclusions

- Loss or damage due to delay, even if caused by a war peril
- Ordinary leakage, loss in weight, or normal wear and tear
- Insolvency or financial default of shipowners
- Nuclear weapons or nuclear reaction (absolute exclusion)

4. Duration of Cover

- War Risk cover:
- Commences once the cargo is loaded on board the vessel
- Terminates upon discharge at the destination port

5. General Average & Salvage

- The insurer covers General Average contributions and Salvage Charges when they arise from a covered war peril, ensuring operational continuity for marine carriers and cargo interests.





The Middle East war and specialized cover

- The Middle East war is rapidly reshaping the insurance market, driving sharp premium increases, tighter coverage terms, and in some cases the withdrawal of war-risk protection.
- Insurers are relying heavily on war exclusions in standard policies, but the conflict is still creating major pressure across marine cargo, hull, aviation, and travel insurance, especially in high-risk routes like the Strait of Hormuz.
- Beyond direct losses, the bigger concern is accumulation risk, supply chain disruption, and the growing uncertainty facing businesses operating in the region.
- At the same time, the conflict is increasing demand for specialized cover such as political violence, cyber insurance, trade credit, and political risk protection.
- Corporate clients are also becoming more cautious, asking for clearer wording, stronger business interruption protection, and crisis-response support, while employers are reviewing medical evacuation and employee assistance plans. Overall, the war is pushing the insurance industry to move from simple policy placement toward broader risk advisory services in a far more volatile environment.





Standard property insurance war risk exclusions

- Since the Spanish Civil War, standard commercial property insurance policies have typically excluded damage or losses “directly or indirectly” caused by “war, invasion, acts of foreign enemies, hostilities (whether war be declared or not) military or usurped power” and related perils. This broad exclusion is widely incorporated into insurance policies worldwide, due to reinsurers’ insistence.
- Originally, the exclusion was designed to protect property insurers from the potentially catastrophic accumulation of losses caused by aerial bombardment – a new threat at the time.
- This provision (the NMA 464) proved effective during World War II and continues today, albeit amended following 9/11 to also exclude terrorism (eg, the NMA 2918).



Business interruption and non-damage losses

- Although physical damage to insured property is an obvious source of claims, the conflict is also generating widespread business interruption losses unaccompanied by physical damage.
- Airspace closures, port shutdowns, supply chain disruption and government restrictions are already affecting airlines, shipping interests and energy dependent industries.
- Many insureds will find that such losses fall outside the scope of cover due to war exclusions, the absence of non damage business interruption extensions, or narrow prevention of access clauses.
- As a result, significant economic losses may remain uninsured, notwithstanding the existence of substantial insurance programmes, a point that will come as an unwelcome surprise to many policyholders.



Aggregation, event definitions and reinsurance exposure

- Where there are covered losses an issue likely to assume critical importance is aggregation.
- The nature of the conflict so far characterised by rolling missile and drone attacks across multiple territories and over extended periods raises questions as to whether losses arise from a single event, a series of related events, or multiple occurrences for the purposes of policy limits and deductibles.
- Political violence policies, and particularly reinsurance treaties, often contain hours clauses and event definitions that were drafted with more localised or time-limited disturbances in mind.
- Where insured damage results from coordinated but geographically dispersed strikes, reinsurers may contend for narrow aggregation, while cedants and insureds are likely to argue that losses form part of a single campaign or operation.
- These issues are likely to be heavily wording and fact-sensitive and, given the sums at stake, fertile ground for disputes.



The main perils under a Marine War risks policy

- From the earliest times Marine policies have normally covered loss from damage by war risks.
- Nowadays, policies normally exclude war unless specifically requested, except for Cargo.

The main perils under a Marine War risks policy are:

- Capture.
- Seizure.
- Arrests, restraints etc., of "Kings, Princes and people". More recently this contains a "frustration clause" which avoids payments where goods are not damaged through restraint etc.
- The consequences of hostilities or war-like operations. This provides the widest war cover and includes revolution, civil war, insurrection, etc ...
- Political risks - failure to complete contract because of political intervention, including terrorism.
- Derelict mines, torpedoes, bombs, etc ...

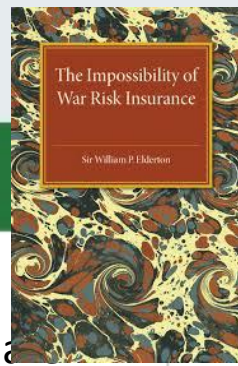


Key Terms of Marine War Risk Insurance Coverage

- The period of cover is considerably more restricted than a normal policy and covers from loading until discharge at final destination, or for 15 days after arrival, whichever is the first.
- Transshipment cover is for 15 days only.
- War risk insurance may be cancelled by either party giving 7 days notice for hull and 2 days for cargo.
- War risk rates are normally 0.025% p.a., payable (and indeed changeable) on a daily basis, although the current Iran/Iraq gulf conflict has seen rates as high as 0.5% p.a.
- If War cover is taken then often additional cover for risk of loss by Strikes, Riots and Civil Commotion can be taken although this cover can be provided separately.



The Impossibility of War Risk Insurance



- The Impossibility of War Risk Insurance examines why private insurance markets are structurally unable to provide reliable protection against losses caused by war or enemy military action.
- The book argues that war represents a unique category of peril one that fundamentally breaks the core principles that make insurance viable.
- Instead of **random, independent, statistically predictable losses**, war generates destruction that is intentional, correlated, systemic, and potentially unlimited in scale.
- This transforms war risk from an insurable event into an existential financial threat for any insurer attempting to absorb it.
- The text explains that traditional insurance relies on the law of large numbers, diversification, fortuity, and the ability to price risk through historical patterns.
- War disrupts all these conditions simultaneously.
- Military conflicts create mass losses across entire portfolios, overwhelm capital reserves, distort markets, interrupt supply chains, and generate physical and financial impacts far beyond the scope of typical insured events.
- Because wars develop according to political and military strategies not statistical probability loss frequency, severity, and accumulation cannot be forecasted in actuarial terms.



Aviation Insurance

- The AVN52E Clause is a critical provision in aviation insurance policies, specifically designed to *define exclusions for certain high-risk scenarios*.
- To buy war cover back, the market uses:
AVN 48B – War, Hijacking and Other Perils Extension Clause (Hull War) AVN 52E Buyback (Liability War) LSW 555B or similar (War Liability for Airlines)
- Subject to **REVIEW AND CANCELLATION** as below:
 - (b) Review of Premium and/or Geographical Limits (7 days)
 - (b) Limited Cancellation (48 hours)
 - (c) Cancellation (7 days)





AVN52D

EXTENDED COVERAGE ENDORSEMENT (AVIATION LIABILITIES)

•WHEREAS the Policy of which this Endorsement forms part includes the War, Hi-Jacking and Other Perils Exclusion Clause (Clause AVN 48B), IN CONSIDERATION of an Additional Premium of, it is hereby understood and agreed that with effect from, all sub-paragraphs other than.....of Clause AVN 48B forming part of this Policy are deleted SUBJECT TO all terms and conditions of this Endorsement.

•EXCLUSION applicable only to any cover extended in respect of the deletion of sub-paragraph (a) of Clause AVN 48B.

Cover shall not include liability for damage to any form of property on the ground situated outside Canada and the United States of America unless caused by or arising out of the use of aircraft.

•LIMITATION OF LIABILITY

The limit of Insurers' liability in respect of the coverage provided by this Endorsement shall be a sub-limit of US\$ 50,000,000 or the applicable Policy limit whichever the lesser any one Occurrence and in the annual aggregate except with respect to passengers to whom the full Policy limit(s) shall apply. This sub-limit shall apply within the full Policy limit and not in addition thereto.





Reinsurance treaty war clause

War Clause (Paramount)

مقدم بر سایر شرایط و ناسخ هر شرط متعارض

A **War Clause Paramount** is a mandatory exclusion inserted into reinsurance treaties (particularly property, marine, aviation, and cargo).

“Paramount” means it **overrides all other clauses** in the treaty.

Its purpose is to state clearly that losses arising from **war-related events** are not covered unless specifically bought back.

Why it exists

War risk exposure can be: Catastrophic+ Unpredictable+ Difficult to model=>

Reinsurers therefore use a paramount clause to:

Carve out **war, civil war, insurrection, hostilities, rebellion, terrorism (depending on version)**.

Ensure exclusions apply regardless of any conflicting wording elsewhere in the treaty.





paramount war and strikes cancellation clause

notwithstanding anything to the contrary stated herein or subsequently added hereto, it is understood and agreed that if this contract provides that losses arising from war and strikes, riot and civil commotions risks shall be subject to terms and conditions no wider than the relevant London institute war and strikes clauses current at the inception of the original risk written , or current at the later of either the inception date or the most recent anniversary date of this contract .the cover for losses arising from war and strikes, riot and civil commotions risks under this contract is at all times subject to seven days' notice of cancellation by either party. such period of notice to commence not later than seven days from the date of notice given by the reinsurers.



Reinsurance treaty war clause

Reinsurance Exclusion Clauses

I Seepage and Pollution Exclusion Clause

This contract excludes any loss arising from seepage, pollution or contamination unless such risks are insured solely on a sudden and accidental basis. This also excludes liability in respect of disposal or dumping of any waste materials or substances.

II Political Risk, Financial Guarantee and Credit Risk Exclusion Clause (01.11.2003)

This contract excludes any loss, liability, damage or expense arising from the following:

All forms of contract frustration business including but not limited to non-performance of contractual obligations, import and/or export embargo, non-ratification of contracts, exchange transfer, calling of bonds and guarantees and force majeure indemnities.

Default under a lease, or any other form of financing contract.

Inability of an assured to recover funds or another consideration advanced under a contract to supply goods or services.

Any form of financial guarantee, surety or credit indemnity, other than salvage guarantees.

Confiscation, nationalisation, expropriation, deprivation, unless such losses would be recoverable under the institute war clauses and/or the war sections of the relevant institute war and strikes clause of relevant London aviation clauses In current use at the inception of this contract, or at the time when war risks cover would have commenced under the original insurance within the terms of the clauses, whichever is the earlier, except that if the risks of war are covered in the original policy(ies) under clause approved by the London hull war risks joint sub-committee, or in respect of cargo interests under the standard war risks clause of any country which complies with the limitations of the united kingdom waterborne agreement, the foregoing proviso shall not apply.

The departure of the Assureds and/or project management personnel from any country, project or site in circumstances where:

- b) the Assureds most senior manager in any country (or if absent, his appointed deputy) has determined that conditions local to any project or site have reached a state of political instability which could reasonably be interpreted as endangering the lives and/or physical well-being of such personnel and has issued instructions for their education.

III War and Strikes Termination Clause (Excess of Loss)

Paramount War and Strikes Cancellation Clause

Insofar as this reinsurance contract includes any cover for war and strikes, riots and civil commotions risks as defined elsewhere in the contract, the cover is at all times subject to seven days notice of cancellation by either party. Such period of notice to commence not later than seven days from the date of notice given by the reinsures.

IV Annual Aggregate Limit Clause (Excess of Loss)

In respect of cover for terrorism risks under this contract, the annual aggregate shall never be more than three times the limit of liability per risk/ loss/ occurrence/ event as defined. For the purposes of this paragraph "event" shall be defined as all acts of terrorism executed within a consecutive period of 72 hours.

Irrespective of the above annual aggregate limit of liability for terrorism risks the Reinsurer shall never be liable for more than the total limit as stipulated in the general reinstatement conditions of this agreement.

If, due to limitation for terrorism risks under proportional reinsurances, a part of a loss/ event cannot be recovered from reinsures, this part shall not be recoverable under this agreement.

V Terrorism Exclusion Clause (Excess of Loss)

This contract excludes any loss, damage, liability or expense arising from:

- a. Terrorism
- b. and or steps taken to prevent, suppress, control or reduce the consequences of any actual, attempted, anticipated, threatened, suspected or perceived terrorism

For the purpose of this clause, "terrorism" means any act(s) of any person(s) or organisation(s) involving:



Aab War Risks Insurance Syndicate

Highlights on AWRIS

Establishment

The Arab War Risks Insurance Syndicate (AWRIS) commenced its operations on January 1, 1981

Structure

Lead by prime international reinsurers, including Lloyds of London and other A-rated key International industry players

Facultative & Treaty

Increased reinsurance commission and profit commission under marine treaties. One source of vast facultative capacity and treaty facility



Ownership

Owned by its members, minimising their cost of cover with favourable terms and conditions, as well as superior claims handling/settlement

Pioneering Growth

A growing network organization that connects 190 + member companies, across 16 Arab nations.

Retention in Member Countries

Bulk of premiums retained within member countries, thus reducing the flow to foreign players





Wars Affecting Maritime Transport

Some Historical Examples of Wars Affecting Maritime Transport

- ❖ **Napoleonic Wars (Early 19th Century):** The conflict between Great Britain and France significantly affected international trade.
- ❖ **World War I and II:** These global conflicts had a profound and widespread impact on maritime transport.
- ❖ **Iran-Iraq War (1980-1988):** This regional conflict had a significant impact on shipping in the Persian Gulf.
- ❖ **Gulf War (1990–91) :** An international conflict triggered by Iraq's invasion of Kuwait on August 2, 1990. This war resulted in disruption of normal shipping activities due to military operations and the threat of mines. Simultaneously, the massive oil spills and pollution caused extensive and long-lasting damage to the marine environment and its inhabitants.
- ❖ **Russia-Ukraine war (February 2022) :** Ongoing impact on marine transport and disturbance in shipping activities through the black Sea and Sea of Azov, contributed to disruption of the global supply chain issues, specially in terms of goods and food like grains and oil .



Understanding War Risks Insurance

Characteristics of Insurance against war risks

- **Catastrophic:** Covers events with the potential for large-scale losses.
- **Accumulation of Exposure:** Risk concentration in specific geographic areas or industries.
- **Unpredictable Losses:** Difficulty in forecasting the occurrence and severity of war-related events.
- **Difficult to know the magnitude of Loss:** Challenges in assessing the full extent of damages.
- **Excluded in Traditional Marine Insurance:** Typically requires a separate, specialized policy.
- **Special Perils:** Covers risks beyond standard insurance, such as war, terrorism, and political violence.
- **Complex Claims Management:** Requires expertise in handling unique and often complicated circumstances.





Marine War & Strikes Clauses Hull & Cargo

Perils covered by Marine Cargo Insurance

Risk covered in clause:	A	B	C
Fire	✓	✓	✓
Explosion	✓	✓	✓
Vessel sinking	✓	✓	✓
Jettison	✓	✓	✓
Breakage	✓		
Theft	✓		
Washing overboard	✓	✓	
War			
Strikes			

Exclusion No. 6



Exclusion No. 7

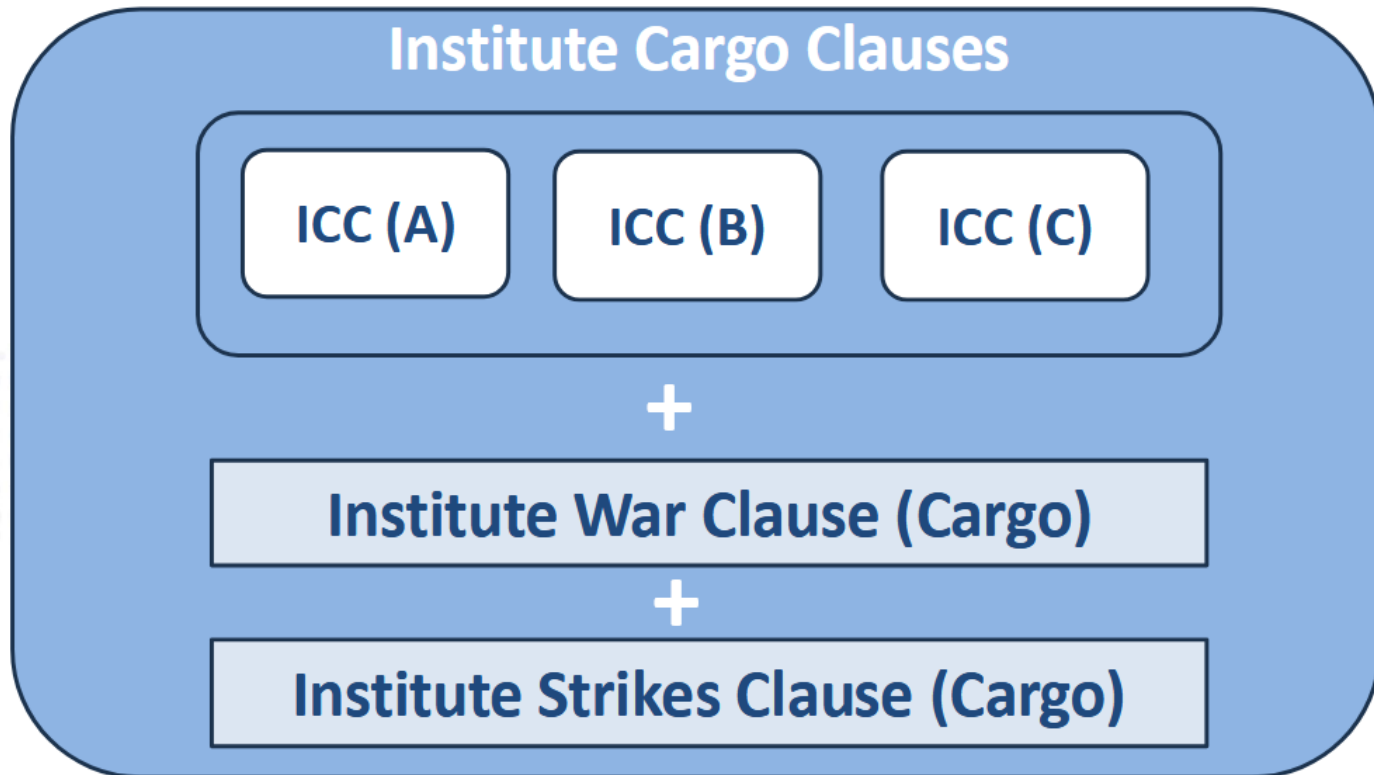




Aab War Risks Insurance Syndicate

Marine Cargo War Clauses - London Market

War covers / clauses complement the conventional Marine Cargo covers





Aab War Risks Insurance Syndicate

Marine Hull War Clauses - London Market

War covers / clauses complement the conventional marine covers

Institute Time Clauses – Hulls (Cl. 280)

+

Institute War & Strikes Clauses (Hulls –Time) (Cl. 281)

Institute Yacht Clause (Cl. 328)

+

Institute War & Strikes Clause - Yachts (Cl. 329)





Aab War Risks Insurance Syndicate

How Insurers / Reinsurers React?

Global Marine War Insurance Market Response

- **Bab al-Mandab strait in the Red Sea** has been **added to the listed areas** by a decision of the War Joint Committee.
- **Cover for war / warlike perils is additional extension** in Hull & Machinery and Cargo Insurance
- **War extension is agreed as per navigation limits / waters.**
- **Institute War Clauses – unified wordings** are used for war cover in H&M and Cargo
- **Defining of war risk zones** : Hull -Joint War Committee , -Cargo: Joint Cargo Committee Watchlist
- **Notice of Cancellation issued by 7 days notice**
- **Reinstatement of War Cover** : War cover provided for an additional premium.
- **Breach War Cover / Buyback - additional cost** for war cover is charged per risk.





Market Intelligence Tools

Cargo War Watchlist by LMA and IUA



lma
Lloyd's market association



<https://watchlists.ihsmarkit.com/watchlists-viewer>

Location	Risk	Marine - War	Marine - Strikes	Air - War/Strikes	Air - War	Ground War/Strikes	Piracy: only for use with JC2011/017 GCWL Clause 2011	Cargo Theft
Afghanistan	(Very High) 3.9			✓	✓	✓		
Argentina	(Elevated) 1.9	✓	✓	✓	✓	✓		
Bangladesh	(High) 2.4	✓	✓	✓	✓	✓		
Brazil	(Elevated) 2.1	✓	✓	✓	✓	✓		
Brazil (BR-116 Highway Curitiba- Sao Paulo; SP-330 Highway Uberaba-Santos port; BR-116 Highway Rio de Janeiro-Sao Paulo, BR 050 Highway Brasilia-Santos).	(Very High) 3.3							✓
Burkina Faso	(Very High) 3.2			✓	✓	✓		
Burundi	(High) 2.4			✓	✓	✓		
Cameroon	(High) 2.5	✓	✓	✓	✓	✓		
Central African Republic	(Very High) 4.1			✓	✓	✓		
Chad	(Very High) 3.4			✓	✓	✓		
Colombia	(High) 2.5	✓	✓	✓	✓	✓		



Market Intelligence Tools

JWLA-032
18th December 2023

Hull War

Listed Areas by Joint War Committee



LMA - Joint War Committee
LMA Lloyd's Market Association

<https://lmalloyds.com>

joint-war-committee=JWC

The JWC brings together senior underwriters from across the market to discuss and debate on key issues affecting the marine insurance market.

JWC Listed Areas Hull War, Piracy, Terrorism and Related Perils	
Africa	
Benin	
Cabo Delgado, waters as defined overleaf	
Eritrea, but only South of 18° N	
Gulf of Guinea, waters as defined overleaf	
Libya	
Nigeria	
Somalia	
Sudan	
Togo	
Europe	
Sea of Azov and Black Sea waters plus inland waters as defined overleaf	
Indian Ocean, Gulf of Aden and Southern Red Sea	
Waters as defined overleaf	
Asia	
Pakistan	
Middle East	
Iran	
Iraq, including all Iraqi offshore oil terminals	
Israel	
Lebanon	
Oman (Musandam Governorate)	
Persian or Arabian Gulf and adjacent waters as defined overleaf	
Saudi Arabia (Gulf coast)	
Saudi Arabia (Red Sea coast) excluding transits	
Syria	
United Arab Emirates	
Yemen	
Russia	
South America	
Guyana, but only calls to offshore installations in the Guyanese EEZ beyond territorial waters	
Venezuela, including all offshore installations in the Venezuelan EEZ	

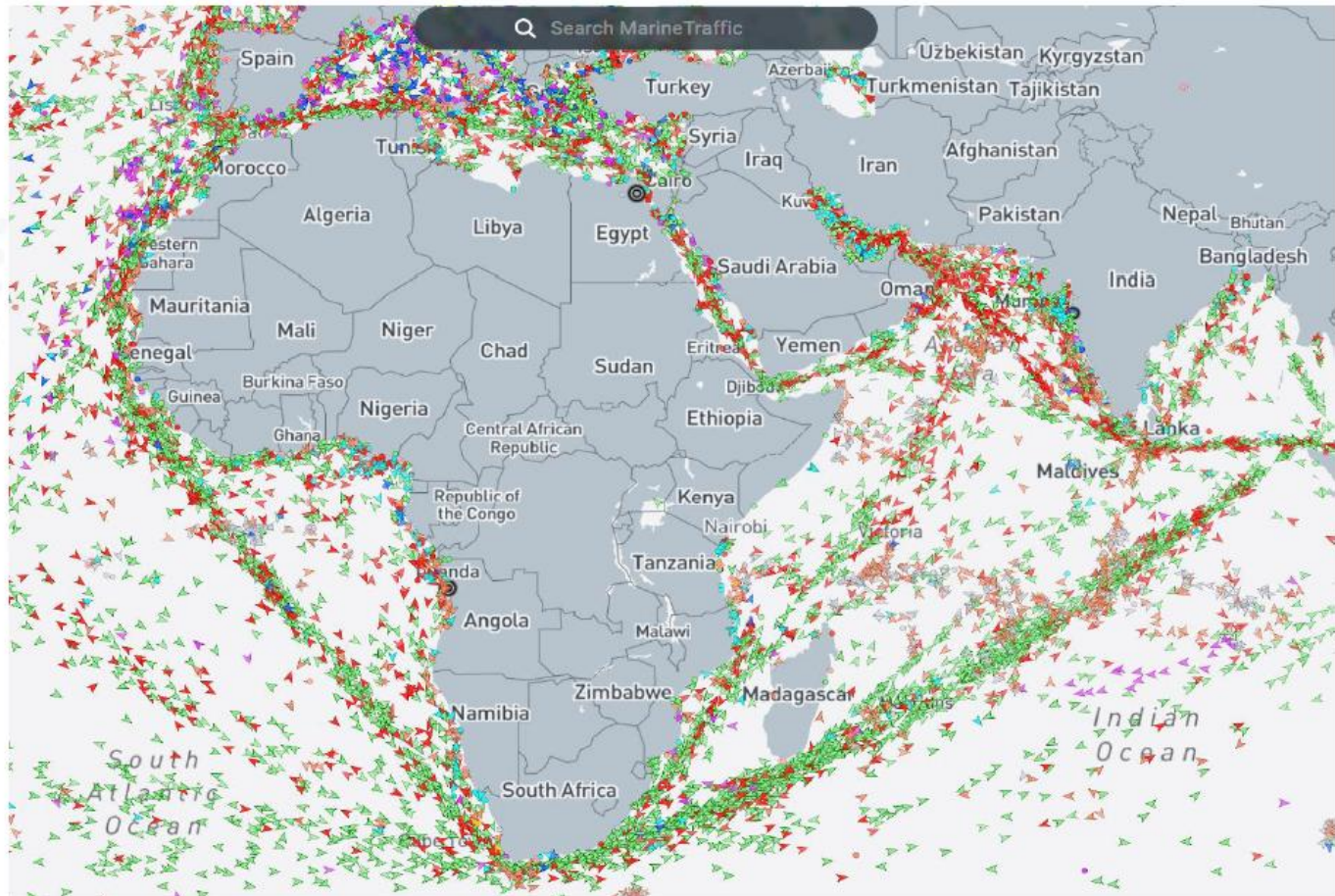


Market Intelligence Tools

Marine Traffic Tool

<https://www.marinetraffic.com>

MarineTraffic is a maritime analytics provider, which provides real-time information on the movements of ships and the current location of ships in harbors and ports.





Market Intelligence Tools

- <https://www.lloydslist.com>

Lloyd's List Intelligence 

Lloyd's List

Get a clear view of risk

Stay compliant and have confidence in your partners, with a suite of tools specifically designed to help you spot and assess risk

Complete compliance checks, quickly and simply

Automated compliance risk assessment tools simplify your workflow

Avoid sanctions

Sanctions data and alerts keep you informed

Know your customer

Company data helps you understand complex ownership structures

Get an unbiased view of vessels

Risk indicators help you assess your exposure to risk

Stay informed of casualties and incidents

Understand where and when they happen



Monitor maritime trade and seize opportunities

Increase efficiency and act on clear insight with a comprehensive understanding of shipping patterns and real-time operations



Identify supply and demand shifts

Global trade data helps you spot patterns and anticipate changes



Know which vessels are where

Vessel movement data gives you a view of the global fleet



Track containers

Simplify transportation tracking with end-to-end downloadable data trails on containers



Act quickly and stay ahead

Automated alerts inform you of relevant changes and keep you ahead of your competitors

Seasearcher

Get the complete view of the world fleet

Live. Connected. Trusted.





Reinsurance Manager Roles

- A **reinsurance manager** plays a critical strategic role in protecting an insurer's balance sheet during extreme systemic risks like war. War risk is especially complex because it can simultaneously impact **marine cargo, hull, aviation, property, energy, liability, and supply chains**, while also affecting **reinsurance recoverability and sanctions compliance**.

practical framework in **three phases**:

- **Before War**
- **During War**
- **After War**





Reinsurance Manager Roles

BEFORE WAR (Preparation & Risk Containment)

This phase is about **reducing exposure, securing capacity, and building financial resilience.**

1. Risk Assessment & Exposure Mapping

A reinsurance manager should first understand **where war risk could accumulate.**

Map exposure by **geography (ports, border regions, industrial zones).**

Identify **accumulation hotspots**

Conduct **scenario modeling:**

Stress-test **PML (Probable Maximum Loss)** under war scenarios.

Important metrics:

Aggregation by **location**

Aggregation by **line of business**

Exposure to **critical national infrastructure**





Reinsurance Manager Roles

2. Reinsurance Program Design

The reinsurance structure must be designed to **absorb catastrophic shocks**.

War risk endorsements

Ensure **War Exclusion Clauses** are clearly addressed.

Common clauses:

Institute War Clauses

NMA 464 / war exclusion

Strikes, riots, civil commotion





Reinsurance Manager Roles

Contract Wording and Legal Protections

War can trigger **coverage disputes**.

Actions:

Carefully review:

- War exclusions

- Sanctions clauses

- Notice of cancellation provisions

Many war clauses allow **7-day cancellation during hostilities**.

Ensure:

Clear **definitions of war vs terrorism vs civil unrest**.





Reinsurance Manager Roles

DURING WAR (Crisis Management)

The goal becomes **capital protection, claims control, and exposure stabilization.**

1. Immediate Exposure Freeze

Suspend underwriting in **high-risk zones.**

Reduce limits on:

- ports

- energy infrastructure

- shipping routes

Avoid new long-term commitments.





Reinsurance Manager Roles

2. Portfolio Monitoring

Establish **daily risk monitoring**.

Track:

Accumulation by location

Ships in high-risk waters

Cargo in transit

Large industrial sites

Use internal dashboards.





Reinsurance Manager Roles

3. Reinsurance Communication

Immediate contact with reinsurers.

Tasks:

Notify potential **loss events**

Confirm treaty **coverage triggers**

Ensure **recoverability**

Critical because reinsurers may invoke:

war exclusions

sanctions limitations





Reinsurance Manager Roles

AFTER WAR (Recovery & Portfolio Stabilization)

Focus shifts to **financial recovery, claims settlement, and program redesign.**

1. Claims Settlement and Reinsurance Recovery

- Aggregate total losses.
- Submit **reinsurance recoveries.**
- Manage disputes with reinsurers.
- War claims often take **years to settle.**





Reinsurance Manager Roles

2. Portfolio Review

Analyze:

- Which lines produced the largest losses
- Geographic concentration failures
- Treaty performance

Identify **coverage gaps**.





Reinsurance Manager Roles

3. Reinsurance Program Restructuring

Post-war markets usually become **hard markets**.

- Higher reinsurance prices
- Lower capacity
- Stricter exclusions

Increase **retentions carefully**

Build **layered catastrophe protection**

Explore **regional risk pools**





Reinsurance Manager Roles

Practical Priority Checklist for a Reinsurance Manager

Before War

- Exposure mapping
- Reinsurance capacity diversification
- War clause review
- Marine war monitoring
- Catastrophe modeling

During War

- Stop high-risk underwriting
- Track accumulations daily
- Communicate with reinsurers
- Activate claims systems
- Protect liquidity

After War

Recover reinsurance claims
Analyze losses
Redesign treaties
rebuild capital





Q&A

1. Why is there a 7-day cancellation rule for war?

War risk is extremely volatile. To protect insurers from sudden large-scale exposure (e.g., outbreak of war), war coverage is written on special terms. One of those special terms is:

Either party (but mainly the insurer) may cancel war-risk coverage with **7 days' prior notice**.

This clause exists only in the **war** section — not in standard hull insurance.





Q&A

2. What exactly gets cancelled?

Only the War and Strikes risks covered under the Institute War & Strikes Clauses are affected. These include:

- War
- Civil war
- Rebellion
- Capture/seizure/arrest by hostile forces
- Mines / torpedoes / derelict weapons
- Terrorism (depending on clause set)

After the 7-day period ends, **those specific risks are no longer covered.**





Q&A

3. What is *not* cancelled?

Your **Hull & Machinery (H&M)** coverage — the normal marine insurance for collision, grounding, machinery damage, fire, etc. — **continues normally**.

The only way to cancel the whole policy is through the standard cancellation provisions (often 30 days or by mutual agreement), **not** through the war notice clause.

4. Does the policy stop covering everything after 7 days?

No. Only **war-related losses** stop being covered.

Everything else (accidents, perils of the sea, machinery breakdown, collision) remains covered.





Q&A

Middle East War - Guidance on marine insurance coverage - Hull & Machinery

→ **What coverage do ships have against war risks?**

The Institute War and Strikes Clauses (Hulls)–Time or IWSC provides six named perils coverage against war-related perils (other than nuclear), strikes, riots, terrorism, and governmental seizure, covering physical loss or damage to the vessel that would otherwise be excluded from standard marine hull insurance.





Q&A

→ Does IWSC cover consequential losses such as loss of freight due to war?

No. There is separate freight insurance coverage. However, the loss of freight must arise because the vessel itself is lost or damaged by war or other covered perils.

→ Does the coverage under IWC extend to damage caused by drones or falling debris or is it limited to mines, torpedoes, bombs?

There is no specific list for Weapons of War. Damage caused by drones, unmanned aerial vehicles and debris would be covered as long as hostile act, person acting maliciously. Interpretation is evolving, but should be covered as long as there is a hostile act.





Q&A

→ If the vessel is captured by Iran whilst in the Gulf, will the policy pay for the loss under coverage for capture, seizure, arrest, restraint or detainment under IWC?

Yes. Capture, seizure, arrest or restraint by the country where the vessel is registered is not covered as per IWC. Unlawful restraint is not excluded.

→ In the event of seizure, should the assured give immediate notice of constructive total loss (CTL)?

No need for immediate notice. The vessel needs to be deprived for 12 months to claim CTL. Early notice will not be accepted by the insurer and likely rejected.





Q&A

→ Can the underwriter cancel the IWC due to declaration of war without an additional premium option? Is the underwriter bound to quote?

Yes. If circumstances are such that insurance cannot be given, they can refuse to quote or offer very high rates to say no.

→ Is the IWC coverage subject to any navigational restrictions? If so, what are they?

Cover is granted subject to listed areas as notified by Joint War Committee (JWC) and amended from time to time.





Q&A

→ If the vessel is hit by a missile while doing a ship-to-ship (STS) transfer or being towed, will there be coverage under IWC?

STS or towing activity may be excluded under IWSC unless cover is reinstated at separate terms to be agreed (within port area). One must check the terms of coverage of IWSC.

→ If the insured vessel is hit by a navy vessel, would the collision liability (4/4th) be payable under the IWC?

Determination will be on proximate cause. If the navy vessel is engaged in hostilities, coverage will be as per collision liability clause in IWSC. If not, under the clause of ITCH. There are case laws on this.





Q&A

→ In the above situation of vessel damage, if GA is declared, will IWC pay the ship's proportion of GA and salvage charges?

Yes. The same principle as above applies.





Q&A

- **Q: What is the meaning of War clauses?**

A: Under Institute Cargo Clauses, war is excluded. This excludes cover for any hostile act from a nation or group that is intent to cause political instability. This does not mean a declaration of war needs to be declared or declaration needs to be issued. The insurance definition of war is very broad and includes most regional disorder.





Q&A

- **Q: Is there any way to include this cover?**

A: Under most of our policies, a war extension has been endorsed. This means insurers agree to cover loss or damage to cargo associated from war or associated risks. Check your policy under conditions to see if War is included: “Institute War Clauses (Cargo) CL385 dated 01.01.2009.”





Q&A

- **Q: Does insurance cover delay caused by War or re-routing?**

A: No, cargo insurance does not cover delay even if the policy includes the war extension. Delay caused by cargo being blocked or re-routed is excluded. The same exclusions still apply.





Q&A

- **Q: In case of War, will cargo insurers pay for re-directing or forwarding cargo to destination?**

A: Insurers will not cover the cost to forward cargo to destination under the Institute Cargo Clauses in case of war. The war extension offers cover for loss or damage to the cargo but this does not extend to forwarding costs.





Q&A

- **Q: If the vessel is hijacked in the Red Sea, will insurers cover losses arising from this?**

A: Piracy is not excluded under war clauses, so losses arising from this would be covered.

However, in the event a government seizes a vessel for political reasons, these are excluded. A War Extension Clause may cover for loss or damage. The goods need to be in peril and delay would be excluded.





Q&A

- **Q: Can the carrier declare General Average because of War?**

A: “General Average” is the deliberate actions inflicted by the shipowner to save the vessel. GA can be declared by actions arising from war if the vessel was in peril and costs were for the benefit of all. General Average must be successful, so the carrier cannot claim if the vessel sank. War extension covers GA contributions.





Conclusion

Legal Alert – Middle East (Re)Insurance Market

War Clause Exclusions and Reinsurance Implications . The recent escalation of hostilities involving Iran has once again brought into sharp focus the operation of war clause exclusions within commercial insurance and reinsurance programmes across the Middle East.

Most commercial policies and facultative or treaty reinsurance arrangements contain war exclusion provisions, typically removing coverage for losses arising from:

- war or civil war;
- hostile acts by or against a sovereign power;
- rebellion, insurrection or revolution;
- capture, seizure or detention of property; and
- military operations or the use of weapons of war.





Conclusion

- The commercial rationale is well established: war presents a systemic risk capable of generating catastrophic, correlated losses across multiple insured portfolios simultaneously, a risk that the private insurance market cannot sustainably absorb without express exclusions or specialised war-risk cover.





Conclusion

In the context of heightened regional tensions, these provisions will likely come under increased scrutiny. From a legal and operational standpoint, cedants and international reinsurers providing Middle East capacity should be prioritizing the following:

- Immediate review of underlying policy and treaty wordings, particularly war exclusions, hostile act clauses and aggregation provisions;
- Timely notification of potential claims in accordance with policy and treaty conditions;
- Active monitoring of accumulation exposures, particularly in energy, aviation, marine and political risk portfolios; and
- Early legal assessment of potential coverage issues, including questions of causation, attribution of hostile acts, and treaty response.





Conclusion

As events develop, the interpretation of war exclusions, issues of proximate cause, and aggregation of losses across programmes will become central to determining how exposures ultimately fall within the global reinsurance framework.





با سپاس از شما